

# EUCALYPTUS GROVE HOMEOWNERS' ASSOCIATION

## FINANCIAL & BUDGET

	2008 BUDGET	"Projected" 2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2004 ACTUAL
-- REVENUES --					
OWNER ASSESSMENTS	\$816,240.00	\$741,060.00	\$628,071.54	\$572,674.44	\$526,765.71
SPECIAL ASSESSMENT	0.00	0.00	25,857.36	511,132.70	0.00
INTEREST INCOME	8,000.00	11,000.00	25,840.33	8,587.16	7,375.08
OTHER INCOME	0.00	2,500.00	10,650.00	4,839.98	1,510.75
<b>TOTAL REVENUE</b>	<b>\$824,240.00</b>	<b>\$754,560.00</b>	<b>\$690,419.23</b>	<b>\$1,097,234.28</b>	<b>\$535,651.54</b>
-- EXPENDITURES --					
CLEANING	\$12,000.00	\$11,000.00	\$13,984.00	\$9,120.00	\$9,587.00
ELECTRIC	22,000.00	22,000.00	20,342.88	18,913.17	17,761.53
LANDSCAPING	61,500.00	60,000.00	55,020.00	59,605.00	55,499.64
LANDSCAPING SUPPLY/EXTRAS	24,000.00	15,000.00	15,608.69	27,901.14	3,342.04
MANAGEMENT	24,756.00	23,916.00	22,668.00	21,696.00	20,856.00
PAINTING	1,000.00	1,000.00	3,775.00	575.64	864.61
POOL MAINT & SUPPLIES	12,500.00	12,500.00	10,234.22	11,366.38	11,215.47
POOL HEATING (GAS)	11,000.00	9,000.00	7,334.66	7,835.06	7,626.71
REPAIRS & MAINT	60,000.00	50,000.00	36,561.76	441,477.73	135,030.57
RUBBISH REMOVAL	52,000.00	50,000.00	48,036.54	46,638.68	45,066.48
PATROL/ALARM SERVICES	2,500.00	0.00	1,008.00	0.00	2,278.85
SUPPLIES	3,600.00	3,000.00	2,942.53	2,328.10	1,846.98
WATER & SEWER	23,000.00	23,000.00	17,029.26	17,440.68	15,564.47
INSURANCE	140,000.00	138,000.00	135,133.07	74,985.91	63,329.32
PEST CONTROL	2,000.00	1,000.00	1,447.00	2,177.00	1,673.00
PROFESSIONAL FEES	10,000.00	10,000.00	16,029.31	19,765.82	2,621.00
TELEPHONE (ENTRY GATE)	500.00	500.00	387.51	458.35	478.16
TAXES	6,000.00	8,563.00	1,764.00	3,217.00	450.00
MISCELLANEOUS	5,000.00	3,000.00	4,010.96	4,258.81	7,138.67
<b>TOTAL OPERATING EXPENSES</b>	<b>\$473,356.00</b>	<b>\$441,479.00</b>	<b>\$413,317.39</b>	<b>\$769,760.47</b>	<b>\$402,230.50</b>
Plus: Amount Added to Reserve	350,884.00	313,081.00	277,101.84	327,473.81	133,421.04
<b>TOTAL FUNDS NEEDED</b>	<b>\$824,240.00</b>	<b>\$754,560.00</b>	<b>\$690,419.23</b>	<b>\$1,097,234.28</b>	<b>\$535,651.54</b>
<b>CHANGE IN RESERVE:</b>					
Total Funding	\$824,240.00	\$754,560.00	\$690,419.23	\$1,097,234.28	\$535,651.54
Less: Operating Expenses	(473,356.00)	(441,479.00)	(413,317.39)	(769,760.47)	(402,230.50)
Reserve Expenditures	(185,000.00)	(350,000.00)	(538,809.74)	(180,420.63)	(192,555.06)
<b>NET RESERVE Increase (Decrease)</b>	<b>\$165,884.00</b>	<b>(\$36,919.00)</b>	<b>(\$261,707.90)</b>	<b>\$147,053.18</b>	<b>(\$59,134.02)</b>

**Item #1. MONTHLY FEES:** In order to meet this budget, the monthly fees (assessments) will be:

(179 Units)

**\$380.00 EFFECTIVE JANUARY 1, 2008**

Note: Units paying fees after the 30th day of the Month, will be charged a late charge of 1.5% of the outstanding balance.

**Item #2. SPECIAL ASSESSMENT:** No Special Assessment is anticipated in 2008.

"Projected"

**Item #3. FUNDS AVAILABLE:**

12/31/07	Community West Bank	\$100,000.00		
	CDAR's Accounts	120,000.00		
	Operating Account	5,000.00	TOTAL	\$225,000.00
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**Item 4. MAJOR REPAIRS AND REPLACEMENTS:**

The following cost estimates and reserve analysis is based on a reserve study which is reviewed by the Board of Directors each year to account for inflation and planning changes:

ITEM-Expected Life	EXPECTED		EXPECTED COST	RECOMMENDED		BALANCE NEEDED	2008 ADDITIONS	PROJ. BAL. 12/31/08
	LIFE	DATE DUE		IN RESERVE 12/31/07				
Termite Fumigation (Bal)	15	2008	24,000	24,000	0	(22,400)	1,600	
Roof Shingle (2 Bldgs)	25	2008	40,000	40,000	0	(38,400)	1,600	
Paint Metal Fence & Rail	3	2008	6,000	6,000	0	(4,000)	2,000	
Tree Trimming	3	2008	15,000	15,000	0	(10,000)	5,000	
Siding Replacement	20	2008	100,000	100,000	0	(95,000)	5,000	
Stair Landing Reseal	4	2009	10,400	7,800	2,600	2,600	10,400	
Paint Wood/Metal Trim	4	2009	70,000	52,500	17,500	17,500	70,000	
Gate Operator (Slide)	10	2009	2,600	2,340	260	260	2,600	
Cabana Water Htr.	12	2009	2,500	2,292	208	208	2,500	
Asphalt Seal Coat/Repair	4	2009	21,600	16,200	5,400	5,400	21,600	
Roof Shingle	25	2009	160,000	153,600	6,400	6,400	160,000	
Exercise Room Equip.	15	2010	6,000	5,200	800	400	5,600	
Pool Tile/Coping	20	2010	3,000	2,700	300	150	2,850	
Pool Pump	6	2010	800	533	267	133	667	
Spa Pumps	6	2010	1,600	1,067	533	267	1,333	
Gate Operator (Slide)	10	2010	2,600	2,080	520	260	2,340	
Cabana Sauna/Bath Remor	26	2010	5,000	4,615	385	192	4,808	
Pool Replaster	10	2010	6,000	4,800	1,200	600	5,400	
Spa Heater	8	2010	3,200	2,400	800	400	2,800	
Paint Carports	6	2010	72,000	48,000	24,000	12,000	60,000	
Spa Filter	12	2010	1,200	1,000	200	100	1,100	
Paint - Wood Siding	6	2012	144,000	48,000	96,000	24,000	72,000	
Mailbox Pagodas	15	2012	12,000	8,800	3,200	800	9,600	
Asphalt Overlay	28	2012	156,000	133,714	22,286	5,571	139,286	
Lights-Street Fixtures	28	2012	21,000	18,000	3,000	750	18,750	
Paint Front Wood Fence	6	2013	6,000	1,000	5,000	1,000	2,000	
Spa Retile	30	2014	5,000	4,000	1,000	167	4,167	
Stair Rails (3.5')	30	2014	11,000	8,800	2,200	367	9,167	
Metal Pool Fence (6')	30	2014	6,125	4,900	1,225	204	5,104	
Cabana Floor & Wall Tile	30	2014	9,750	7,800	1,950	325	8,125	
Termite Fumigation (7606)	15	2014	6,000	3,600	2,400	400	4,000	
Termite Fumigation (7630)	15	2015	6,000	3,200	2,800	400	3,600	
Pool Filter	12	2016	1,300	433	867	108	542	
Pool Heater	10	2016	3,300	660	2,640	330	990	
Sauna Heater	15	2016	2,500	1,167	1,333	167	1,333	
Termite Fumigation (7634)	15	2016	6,000	2,800	3,200	400	3,200	
Stair Landing Resurface	20	2017	41,600	22,880	18,720	2,080	24,960	
Bridge Repair	15	2017	10,000	4,000	6,000	667	4,667	
Termite Fumigation (7620)	15	2017	6,000	2,400	3,600	400	2,800	
Siding Replacement	20	2017	600,000	330,000	270,000	30,000	360,000	
Concrete Replacement	30	2018	100,000	66,667	33,333	3,333	70,000	
Sub-Totals			\$1,707,075	\$1,164,948	\$542,127	(\$51,460)	\$1,113,488	

Sub-Totals (Previous Pg):			1,707,075	1,164,948	542,127	(51,460)	1,113,488
Roof - Metal Carport	30	2018	150,000	100,000	50,000	5,000	105,000
Termite Fumigation (7632)	15	2018	6,000	2,000	4,000	400	2,400
Split Rail Fence	35	2019	5,400	3,703	1,697	154	3,857
Termite Fumig. (7602)	15	2019	6,000	1,600	4,400	400	2,000
Termite Fumig. (7610)	15	2019	6,000	1,600	4,400	400	2,000
Intercom	15	2021	3,800	507	3,293	253	760
Card Readers/Buzzers	15	2021	4,000	533	3,467	267	800
Termite Fumigation (7636)	15	2022	6,000	400	5,600	400	800
Termite Fumigation (7640)	15	2022	6,000	400	5,600	400	800
Slide Gates	25	2022	6,000	2,640	3,360	240	2,880
Gutters/Downspouts	20	2024	35,000	7,000	28,000	1,750	8,750
Front Wood Fence	20	2027	18,000	900	17,100	900	1,800
Roof Shingle 7626, 30 & 34	25	2031	60,000	4,800	55,200	2,400	7,200
Reserve Surplus (Shortage)				(1,066,031)	1,066,031	204,380	(861,651)
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TOTALS			\$2,019,275	\$225,000	\$1,794,275	\$165,884	\$390,884

<b>Item #5:</b> Ratio of actual cash reserves on hand to estimated cash reserves currently required	17.4%	Projected Ratio at Year-End	31.2%
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<b>Item #6:</b> Reserve Shortage per unit:	(\$5,955.48)	(\$4,813.69)
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**Item #7:** Reserve Projections at year-end for next five years:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Estimated Required in Reserve	\$1,252,535	\$1,131,939	\$1,177,042	\$1,323,546	\$1,137,050
Based on Current Funding:					
Net Change In Reserves	165,884	83,784	249,484	350,884	17,884
Projected Reserve Balance	390,884	474,668	724,152	1,075,036	1,092,920
Projected Percentage Funded	31.2%	41.9%	61.5%	81.2%	96.1%
Based on Plan Being Implemented:					
Net Change In Reserves Per Plan	165,884	83,784	249,484	350,884	17,884
Projected Balance Per Plan	390,884	474,668	724,152	1,075,036	1,092,920
Projected Percentage Per Plan	31.2%	41.9%	61.5%	81.2%	96.1%

**Item #8:** Reserve Funding Plan: The Board of Directors has adopted a plan to fully fund the reserves with increases in assessments and/or special assessments as needed. In the event of a surplus, the Board will reduce assessments as needed to eliminate the surplus in an orderly fashion. Increases or decreases in assessments shall be effective annually on January 1st in an amount adequate to meet increased operating costs and to fund the reserves.

#### NOTES:

IN 2005:

1. The Board levied an emergency special assessment of \$3,000 per unit to pay for deck repairs.
2. Dryrotted siding repaired & replaced at: #318,263,363,218, 219, 243,264,364,130,260, 319, 360,237,337,258,358,355,254, 354, 253, 253,353,262,362,225,325,226,326,345,224,343,242,342,244,344,322,323 & 324 (Approx \$408,000).
3. Temporary repairs made to sidewalks throughout complex (Approx \$1,600).
4. Asphalt repaired and slurry sealed & Curbs painted (Approx \$42,000).
5. French drain installed near #128 (Approx \$9,900).
6. Mudslide area near 7634 regraded & secured (Approx \$3,900).
7. Landscape architect hired re creekbed work (Approx \$3,300).
8. Added drainage installed near #119 & #134 (Approx \$6,800).
9. Balance of exterior painting paid (Approx \$119,000).
10. Repaired & replaced siding painted (Approx \$15,100).
11. Trees damaged by storm removed (Approx \$2,200)
12. Jacuzzi filter replaced (Approx \$1,300).

IN 2006:

1. New gate system installed with new openers & access cards (\$9,700-Openers were paid by assoc & sold to members).
2. Various trees trimmed throughout complex (Approx \$5,600).
3. Utility doors at 7634 replaced (Approx \$1,200).
4. Creekbed outlet #2 renovated (Approx \$8,800).
5. Exit gate damaged by unknown car replaced (Approx \$3,000).
6. Pool heater replaced (Approx \$3,300).
7. Carport roofs cleaned (Approx \$4,200).
8. Bender boards replaced throughout complex (Approx \$3,400).
9. Reroofed 7626, 7630, & 7634 (Approx \$54,400).
10. Dryrot & siding repaired or replaced at units #228, 229, 230, 231, 232, 236, 240, 245, 248, 249, 250, 251, 252, 328, 329, 330, 331, 332, 334, 335, 336, 337, 338, 340, 341, 345, 348, 349, 350, 351, 352, 353, 358, 359, 370, & 372 (Approx \$453,200).
11. The cost of earthquake insurance increased dramatically due to its general unavailability. The unexpected cost was borrowed from reserves which the Board voted to replace over three years.

IN 2007:

1. Bldgs 7636 & 7640 were fumigated for termites (Approx \$11,500).
2. Fence along Hollister Avenue replaced (Approx \$30,000).
3. Reserve Study done by JD Brooks (\$1,100).
4. Plants and irrigation installed on creekside of 7628 (Approx \$1,630).
5. Dryrot repaired at 202, 206, 207, 208, 209, 216, 217, 220, 244, 268, 271, 272, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 316, 317, 344, 368, 371, & 372. Replaced siding was painted. (Approx \$273,000).
6. Additional Dry Rot Repairs - (Approx \$36,000).
7. The Board modified the reserve study by moving part of the roofing to 2008, increasing siding replacement reserves, changing the dates for exercise equipment and painting wood siding, & adding a reserve for concrete replacement.

**Item #9. INSURANCE:** California Civil Code Section 1365 requires an annual insurance disclosure of the Association's insurance as follows:

**GENERAL LIABILITY INSURANCE:**

**Company:** Allstate Insurance Company  
**Coverage:** \$2,000,000 Per Occurance  
**Umbrella:** \$1,000,000 Per Occurance

**Anniversary Date:** November 15th

**Deductible:** None

**Anniversary Date:** March 5th

**PROPERTY INSURANCE: Coverage:** \$27,032,000

**Company:** Allstate Insurance Company

**Anniversary Date:** November 15th

**Deductible:** \$10,000

**EARTHQUAKE INSURANCE: Coverage:** \$24,719,793

**Company:** Empire Insurance & Lloyds of London

**Anniversary Date:** November 15th

**Deductible:** 5% of Total Insurable Value

**FIDELITY INSURANCE: Coverage:** \$150,000

**Company:** Allstate Insurance Company

**Anniversary Date:** November 15th

**Deductible:** \$250

**FLOOD INSURANCE:** The Association has none.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

## REQUIRED DISCLOSURES:

### **ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY:** (Required by Civil Code Section 1365.2.5)

Item #'s are found on the first few pages.

- (1) The current assessment per unit is as per **Item #1**.
- (2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members are as per **Item #2**.
- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**, provided the schedule as per **Item #4** is adequately funded by regular or special assessments. If there is a shortage in reserves, the amount of that shortage on a per unit basis is shown as per **Item #6**.
- (4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years? Not Applicable.
- (5) All major components are included in the reserve study and are included in its calculations. See schedule as per **Item #4**.
- (6) As of the last reserve study or update, the current balance in the reserve fund is as per the schedule at **Item #4**. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the reserve fund is as per the schedule at **Item #4**.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years, the projected balance in each of the years taking into account only assessments already approved along with other known revenues, the projected percentage of funding, the projected balance if the funding plan approved by the association is implemented, and the projected percentage of funding if the plan is implemented are all shown per the schedule at **Item #7**.

**NOTE:** (a) The financial representations set forth in this summary are based on the best estimates of the preparer at that time. These estimates are subject to change. (b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

**ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY** (Cont.):

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation. The information contained in this disclosure is a **PROJECTION ONLY**. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

**MINUTES & NAMES AVAILABLE:** Each year the Association is required to disclose that minutes for all Association or Directors' meetings, and a list of owners are available to all owners. The cost, if any, of providing copies of the minutes and owners' list is to be paid by the requester.

**DELINQUENCY & LIEN POLICY:** Unless otherwise stated all fees and assessments (including special assessments) are due on the first day of each month, in advance, and shall be delinquent 30 days after the due date. A late charge of 1.5% of the delinquent fee or assessment will be charged and added to the amount due. If fees, assessments, and/or late charges are unpaid at the end of any given month, a lien will be filed against the delinquent unit for the full amount due plus applicable interest, attorney fees, lien filing costs and other costs of collection. If the balance due is not paid within thirty (30) days after the lien is filed, the Association may take any and all actions permitted by law including, but not limited to, filing suit and/or foreclosing the lien.

**PRIOR ADR REQUIRED:** Each year the association is required to disclose that before an association or member files a lawsuit to enforce the governing documents, (other than for the collection of assessments), the parties must attempt to resolve the dispute by use of Alternative Dispute Resolution. "Failure of any member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

**INTERNAL DISPUTE RESOLUTION PROCESS:** The Association has adopted the procedures as per Section 1363.840 of the Civil Code.

**INSURANCE:** See summary as per **Item #9**.

**MODIFICATIONS REQUIRE PRIOR APPROVAL:** Each year the Association is required by Section 1378 of the Civil Code to disclose that all modifications or alterations which alter the common area or the exterior appearance of any structure in any way, require **prior** written approval of the Board of Directors or a designated committee of the Board. In addition, any alterations to the structure of any unit or building or alterations which may impact another owner in any way also require **prior** written approval.

Written requests must be submitted to the Board or designated committee for approval which shall approve, conditionally approve, or reject the request in writing within a reasonable time, but in no event later than ninety days from date of receipt of the request. If denied, the requestor shall be given the opportunity to appeal the decision or ask for reconsideration of the Board at the Board's next regularly scheduled meeting.

The following is a notice required by Civil Code Section 1365.1:

**NOTICE: ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

**ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code).

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## **ASSESSMENTS AND FORECLOSURE (Cont):**

### **PAYMENTS**

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)"